

SUPPLEMENT TO THE 2005-2006 ANNUAL COMPENSATION REPORT

December 2004

In conducting the annual compensation survey through June 2004 to meet the statutory deadline of August 1 for the annual report and State Personnel Director's recommendations, some third-party surveys were not available. As a result of the August 1 deadline, the Department of Personnel & Administration (DPA) adopted a practice of continuing to update the survey analyses when new market information became available. In this update for the 2005-2006 Annual Compensation Survey Report, new information collected is as follows.

1. Six more surveys became available by November 2004: Colorado Health Association Health Survey; and Mountain States Employers Council's (MSEC) Summer Health, Western Slope Compensation, Financial Industry, Long-Term Care, and Information Technology surveys.
2. The most current Employment Cost Index (ECI) is September 2004, which was published in October. The annual ECI used in the annual compensation survey report submitted on August 1 was 2.511% (based on the March 2004 quarter). The most current ECI from the September quarterly report is 2.410%, a 0.1% decrease, resulting in lower projected pay rates for July 1, 2005.

For the salary pay structure findings, the updated data analysis shows 0.15% decrease (2.30% on August 1, 2004 to 2.15% on December 1, 2004) in pay structure movement. The changes in occupational group pay range movement are summarized in the following table.

	8/1/04 Movement	12/04 Updated Movement	Difference
ENFORCEMENT AND PROTECTIVE SERVICES	2.3%	2.0%	-0.3%
TROOPERS	5.3%	5.2%	-0.1%
FINANCIAL SERVICES	3.1%	2.9%	-0.2%
HEALTH CARE SERVICES	2.3%*	3.9%	+1.6%
MEDICAL SERVICES	2.3%*	3.9%	+1.6%
LABOR/TRADES/CRAFTS	2.5%	2.2%	-0.3%
ADMINISTRATIVE SUPPORT AND RELATED	2.2%	1.7%	-0.5%
PROFESSIONAL SERVICES	2.1%*	1.5%	-0.6%
SENIOR EXECUTIVE POSITIONS (SES)	2.1%*	1.5%	-0.6%
PHYSICAL SCIENCES AND ENGINEERING	2.6%	2.8%	+0.2%
TEACHER *	2.1%	1.5%	-0.6%
OVERALL WEIGHTED AVERAGE	2.30%	2.15%	-0.15%

* Professional Services recommendation is applied to the Teacher group due to lack of market data for the Teacher group; likewise, the Health Care Services (HCS) for the Medical Service group. SES positions are part of Professional Services but SES positions' salary adjustments continue to be determined by annual individual performance contracts.

For overall actual pay increases in the market, the MSEC *2004 Front Range Briefing* and the MSEC budget planning update survey show that in general employees' total salary increases continued to be around 3.4%. The difference of 1.25% between the average range adjustment of 2.15% and the overall salary adjustment of 3.4%, if applied to salary through narrowing pay ranges and performance awards, will achieve the total dollar adjustment that is comparable to overall salary adjustments found in the Colorado labor market.